

CANADA-SASKATCHEWAN Crop Insurance

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Annual Report 1981 - 1982

**Saskatchewan
Crop Insurance
Corporation**



Agriculture
Canada



Government of
Saskatchewan

**Saskatchewan
Crop Insurance
Corporation
Eighth
Annual Report**

For the year ending March 31, 1982



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Regina, June 30, 1982.

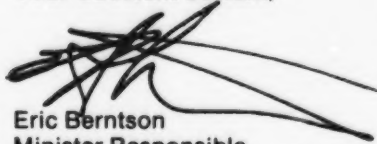
To His Honour
The Honourable C. Irwin McIntosh
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to transmit herewith the
Annual Report of the Saskatchewan Crop
Insurance Corporation for the year ended
March 31, 1982, including the financial
statements therefor, duly certified by the
Provincial Auditor and in the form approved by
Treasury Board, all in accordance with the
Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your Obedient Servant,

A handwritten signature in dark ink, appearing to read 'Eric Berntson', with a long horizontal flourish extending to the right.

Eric Berntson
Minister Responsible
Saskatchewan Crop Insurance Corporation

Regina, June 30, 1982.

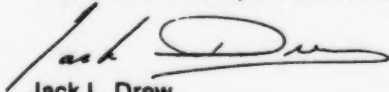
To the Honourable Eric Berntson
Minister of Agriculture
Regina, Saskatchewan

Sir:

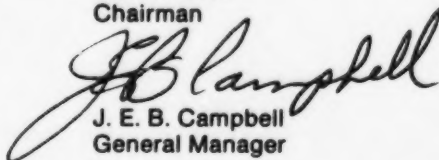
Presented herewith is the Eighth Annual Report
of the Saskatchewan Crop Insurance
Corporation for the fiscal year ended March 31,
1982.

Respectfully submitted,

Saskatchewan Crop Insurance Corporation

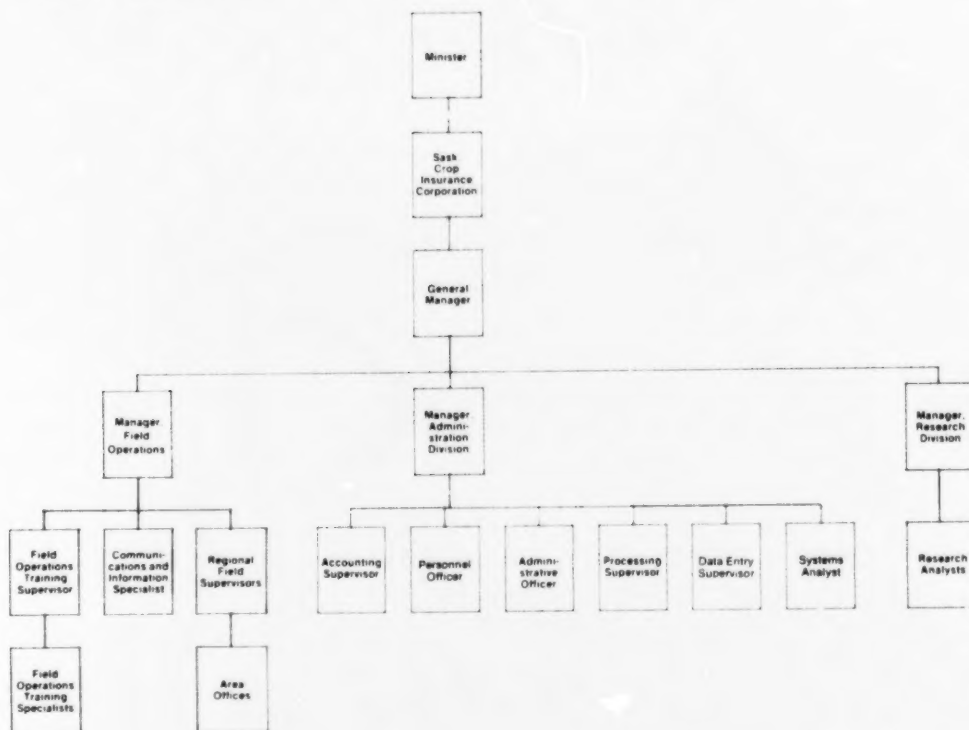


Jack L. Drew
Chairman



J. E. B. Campbell
General Manager

Organization Chart Saskatchewan Crop Insurance Corporation



Board of Directors



G. J. Gartner, Chairman



D. H. Grant



R. H. Anderson



V. Prescesky



R. E. Ulrich
Corporate Secretary

Principal Officers



Back Row — J. C. Walters, Manager Administration Division; L. Chambers, Manager, Field Operations

Front Row — J. E. B. Campbell, General Manager; M. M. Ross, Manager, Research Division.

Objectives and organization

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974, pursuant to the Crown Corporations Act.

In carrying out the Canada-Saskatchewan Crop Insurance Program, the duties and powers of the Corporation are:

- (a) to provide such services and facilities as may be required of the Corporation by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act, Revised Statutes of Saskatchewan, 1978, Chapter S-12 as amended;
- (b) to provide such services of any officer or employee of the Corporation as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act;
- (c) to provide such services and facilities, on a fee for service basis, as may be deemed to be in the public interest;
- (d) to apply all revenues received by the Corporation against the operating expenses of the Corporation.

In its eighth year of operation the Corporation continued to provide its 46,253 insured farmers with the level of servicing which had been developed during the previous years. Systems and procedures were refined and considerable emphasis was placed on staff training.

Administration Division

1981 Crop Insurance participation

During the fiscal year the Corporation provided administrative services and staff required to service the Canada-Saskatchewan Crop Insurance Program. Participation in 1981 increased to 46,253 from 42,850 premium earning contracts in 1980. Farmer protection in 1981 totalled \$1,162,172,964 on 17,849,890 acres compared to \$935,838,614 on 15,930,700 acres in 1980.

Indemnities paid to contract holders to cover losses in 1981 insured crops totalled \$92,280,986 for a loss to premium ratio of .86 as compared to \$135,708,452 paid in indemnities in 1980 for a loss to premium ratio of 1.64.

Indemnities paid as a result of spot-loss hail claims totalled \$46,243,319 compared to \$23,056,554 in 1980. Indemnities resulting from yield-loss claims totalled \$46,037,667 as compared to \$112,651,298 in 1980. There were no unseeded summerfallow claims in 1981 as well as 1980.

Field Operations Division

Information program

The Saskatchewan Crop Insurance Corporation conducted an extensive program to distribute information on the Canada-Saskatchewan Crop Insurance Program to the Saskatchewan farming community in 1981.

Information was provided to insureds advising of the introduction of the reseeding benefit.

Radio spot announcements in June were used to remind all insured farmers of the final date for reporting seeded acres. Radio announcements were also used in October to remind insureds to submit claims within 5 days of completion of harvest.

Printed informational material was distributed on a regular basis to all agricultural representatives' offices, municipal offices and area offices. Regular newsletters to all insured farmers advised them of pertinent program information at specific times of the year.

News releases were prepared and released on a regular basis, announcing new programs and highlights to the farming community. In addition, crop insurance staff participated in radio and television interviews to publicize and promote the Canada-Saskatchewan Crop Insurance Program. Information was provided regarding filing of hail claims during the postal strike.

The 1981 crop insurance calendar highlighted all important crop insurance dates and program information; serving both an aesthetic and functional purpose.

Regional and area offices

The Canada-Saskatchewan Crop Insurance Program is serviced by six regional and 26 area offices located throughout the province. (see Appendix "A" and "B" for location and the area serviced by each office.) The regional offices serve as area offices as well as being regional field supervisors' headquarters.

Area office locations

Regina	A01	Rosetown	D01
Estevan	A02	Davidson	D02
Weyburn	A04*	Kindersley	D03*
Carnduff	A05	Kyle	D05
Moosomin	A06	Outlook	D06
Wolseley	A07	Saskatoon	D07
Total number of contracts, 9,226		Total number of contracts, 8,049	
number of premium earning contracts, 9,130		number of premium earning contracts, 7,978	
Swift Current	B01*	Tisdale	E01*
Assiniboia	B02	Humboldt	E02
Gravelbourg	B03	Melfort	E03
Shaunavon	B04	Carrot River	E04
Leader	B05	Total number of contracts, 4,163	
Moose Jaw	B06	number of premium earning contracts, 4,032	
Total number of contracts, 9,970			
number of premium earning contracts, 9,844			
Yorkton	C01*	North Battleford ..	F01*
Canora	C02	Turtleford	F02
Preeceville	C03	Wilkie	F03
Raymore	C04	Prince Albert	F04
Melville	C12	Total number of contracts, 5,580	
Total number of contracts, 10,113		number of premium earning contracts, 5,361	
number of premium earning contracts, 9,908			

*Regional office also.

Each region is under the supervision of a field supervisor. The supervisor is responsible for maintaining uniformity in all aspects of the Program in the field and insuring that contract service is carried out in an acceptable and timely manner.

There is also one long-term fieldperson (100 days work guarantee) assigned to each of the six regions. Long-term fieldpersons in addition to loss adjusting work assist in training and customer relations.

Each regional and area office is staffed by one permanent employee and each has a part-time clerk who can be called on during peak workload periods. There are a number of fieldpersons assigned to each office to carry out field servicing of contracts including: crop-loss adjustments, crop insurance sales and contract servicing.

Twenty-six area offices were provided with the services of a short-term fieldperson during the fiscal year (60 days work guarantee June 1 - November 30). Short-term fieldpersons assure availability of crop adjusters for emergency crop adjustments and for wildlife loss adjustments. They also assist in keeping the adjusting procedures uniform within the area.

During the year 250 per diem fieldpersons, who were either local insured farmers or semi-retired farmers, were employed. There were some who

assisted with contract sales while others assisted only with crop-loss adjustments.

In 1981 approximately 35 per cent of the insured farmers received assistance at the area offices or from per diem field staff in arranging their crop insurance program for 1981. Field staff also accepted 5,754 applications for crop insurance.

During 1981, 363 waterfowl claims were adjusted under the Canada-Saskatchewan Waterfowl Crop Damage Compensation Program. This Program was administered by the Saskatchewan Crop Insurance Corporation.

Adjusters involved in crop-loss adjusting completed: 909 total crop pre-harvest adjustments, 1,591 partial pre-harvest adjustments and 14,743 post-harvest crop adjustments.

Type of Inspection	Region A	Region B	Region C	Region D	Region E	Region F	Total
Partial Pre-Harvest	443	346	215	204	163	220	1,591
Total Crop Pre-Harvest	227	210	102	164	87	119	909
Post-Harvest	3,922	3,751	1,502	2,878	1,144	1,546	14,743
Total	4,592	4,307	1,819	3,246	1,394	1,885	17,243

Plus 302 overcoverage claims.

Prior to harvest, old grain measurements were carried out on 2,964 farms. Work on the various types of crop adjustments entailed more than 22,433 farm calls during 1981.

In addition, 18,711 claims were submitted for spot-loss hail damage and indemnities were paid for spot-loss hail damage on 14,531 crops. Hail claims were adjusted by the Saskatchewan Municipal Hail Insurance Association.

Field procedural training meetings

The field training section conducted 23 procedural training meetings during the year.

In addition to meetings, the training staff

worked with individual fieldpersons in the field to assist those who experienced difficulty completing forms and carrying out procedures.

Field training staff called at least twice during the year at every regional and area office. By periodically visiting each office and conducting area office clerk training sessions, uniformity in office procedure has been achieved.

The Manager of Field Operations met five times during the year with the regional field supervisors. The supervisors also met periodically with their fieldpersons, in addition to the meetings held by the field training section.

Research Division

Program and policy development is the main function of the Research Division. Activities include development of actuarially sound programs, establishment and interpretation of a statistical data base, preparation of reports and conducting studies that are required for program changes and implementation.

Coverage and premium rates

Long-term average yields for 1982 coverages were updated by including the 1980 yields in the 15 year yield base. Inclusion of the 1980 yields along with changes in yield relationships of summerfallow and stubble crops resulted in both increases and decreases in summerfallow and stubble coverages. On the average, yields increased by 1.3 per cent. A net increase in coverage, provincially, was given for 10 crops ranging from .3 per cent on rapeseed to 13.1 per cent on sunflowers with spring wheat averaging 1.6 per cent. A net decrease in coverage occurred on barley, oats and mustard while coverages on fall rye, spring rye and canary seed remained unchanged. The greatest increases in coverage occurred in the southwest and northern areas of the province.

For crops grown under irrigation, increases in coverage of 10 - 15 per cent over 1981 were provided in the major irrigation areas.

Premium rates for 1982 were calculated by incorporating the 1980 loss-cost into the 25 year base. Although the loss experience of 1980 was unfavourable, use of the 25 year base for rate calculations resulted in increases, provincially, of just over 2 per cent. In 1980 almost 15 per cent of total liability was paid out, ranging from a low of 7.5 per cent on sunflowers to a high of 50.6 per cent on fall rye with spring wheat being 13.3 per cent. Premium income from all crops in 1980 was approximately 9.2 per cent of liability. Rate increases occurred mainly in the southeast and east-central areas of the province while reductions were general in the southwest areas.

Premium rates on irrigated crops remained unchanged.

Price options

Price options for 1982 were increased on all crops. An overall increase of almost 8 per cent was provided.

Land productivity ratings

The land productivity rating assigned to each quarter section determines, in part, the coverage provided for each crop on that quarter.

Ratings were established for 720 quarter sections and revisions were made to ratings on 200 quarters. Approximately 369,000 quarters and 600 river lots, Hudson Bay lots and blocks have now been rated, comprising more than 43 million developed acres.

Quality adjustment factors

Factors used to adjust production downward when grain quality is reduced due to uncontrollable natural hazards remained unchanged from those of the previous year. Quality loss on production from crops claimed on was 13 per cent below market value of the base (average) grade as compared to 11 per cent in 1980. Average dockage was 3.8 per cent as compared to 5.9 per cent in 1980.

Forage insurance

A major review of the forage insurance program was completed. Heavy losses have been experienced in this program, primarily as a result of drought in the areas where insurance was carried. Demand has been limited since the inception of the program and has not exceeded the maximum initially placed on participation under the pilot project.

An aggressive sales campaign was carried out with the objective of maximizing participation for the 1982 crop year.

Because of the administrative complexities associated with the current production-based program, an alternative weather-based approach is planned for the 1983 crop year.

Records of production

The annual yield questionnaire was mailed to all contract holders asking for 1981 crop yield on a quarter section basis. Approximately 23,150 farmers (50 per cent) responded. These yield data provide an important source of information in determining coverages, soil class yields, and are used in other projects aimed at program development.

Studies and Reports

Other major studies and reports:

- Relative yields between summerfallow and stubble crops were updated. The record of production reports were used to determine most recent yield relationships between summerfallow and stubble crops. The resulting changes recognized these increases in stubble yields relative to summerfallow yields, as well as the trend towards more extended and continuous rotations. Most increases occurred in the black and grey wooded soil zones of the province.
- The need to provide a reasonable reserve against unforeseen losses and to keep the program actuarially sound was re-emphasized. With 1981 liability approaching \$1.2 billion, and continuing increases in liability expected in the future, emphasis on actuarial soundness becomes more critical. Desirable levels of reserve funds were considered.
- 1981 costs of production for spring wheat and rapeseed were calculated and used as a reference for general trends in operating and fixed costs. Increases in energy, energy related inputs, interest rates and other components supported increases in price options for the 1982 crop year.
- Current production carryovers and crop conditions along with projected market prices were analyzed. These results were used as background for decisions on the 1982 price options.
- Requests for insurance on unlicensed varieties have occurred most recently. Generally, investigation showed that agronomic data on such varieties were supportive of providing insurance on a year to year basis, until licensing is finalized.
- Backgrounding on winter wheat insurance was completed. Rates, coverages and other benefits were compiled. The objective is to provide insurance as production practices to overcome winter-kill are advanced.
- A report and recommendations were completed for rating land on which assessment soil survey data is not available.
- An analysis to determine the average soil class for fall rye and lentils was completed. A change from the risk area average soil class means a change in coverage and premium rates for that crop.
- A computer data base was developed for analysis of soils data from assessment sheets. This data base will facilitate yield comparisons between different soil types using record of production yields as a reference.
- Pre-harvest appraisal procedures were finalized for fababeans.
- Various statistical analyses of insurance and record of production yields were completed.
- Research staff presented a preview of the 1982 program to the Field staff during meetings held in December and January.
- Further work was carried out in the use of remote sensing in area measurements.

Summary

In carrying out these activities on behalf of the Saskatchewan Crop Insurance Board the Corporation spent approximately \$5.5 million, or \$119.91 per contract. During 1982, the Corporation will continue to strive for efficiencies in servicing farmers who are insured under the Canada-Saskatchewan Crop Insurance Program through management of administrative and financial control functions.

Saskatchewan Crop Insurance Corporation

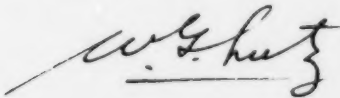
Auditor's report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 1982 and the statements of revenue and expenditure, changes in financial position and amount due to Minister of Finance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Crop Insurance Corporation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan
June 3, 1982

A handwritten signature in dark ink, appearing to read 'W.G. Lutz', with a horizontal line underneath the name.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Crop Insurance Corporation
Financial statements
for the year ended March 31, 1982

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Statement 1 — Balance sheet

Statement 2 — Statement of revenue and expenditure

Statement 3 — Statement of changes in financial position

Statement 4 — Statement of amount due to Minister of Finance

Notes to financial statements

Saskatchewan Crop Insurance Corporation
Balance sheet
as at March 31

Statement 1

	1982	1981
Assets		
Current assets:		
Bank _____	\$45,751	\$23,772
Investments — at cost _____	100,000	173,850
Inventory _____	86,674	79,624
Accounts receivable _____	13,684	6,503
Prepaid expenses _____	51,515	44,413
	297,624	328,162
Fixed assets:		
Office and field equipment — at cost _____	184,680	178,759
	<u>\$482,304</u>	<u>\$506,921</u>
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities _____	\$111,769	\$137,261
Amount due to Minister of Finance (Statement 4) _____	185,855	190,901
	297,624	328,162
Equity in fixed assets _____	184,680	178,759
	<u>\$482,304</u>	<u>\$506,921</u>

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of revenue and expenditure
for the year ended March 31

Statement 2

	1982	1981
Revenue:		
Grant from Department of Agriculture _____	\$5,336,910	\$5,777,590
Interest on investments _____	166,244	78,091
Adjusting waterfowl and wildlife damage and lure crops _____	22,492	53,149
Miscellaneous _____	15,364	8,793
	<u>5,541,010</u>	<u>5,917,623</u>
Expenditure:		
Salaries _____	3,083,627	3,280,859
Travel and sustenance _____	532,586	765,329
Adjusting hail claims _____	755,792	492,612
Office rental _____	268,999	278,411
Computer and analyst services _____	176,239	191,089
Employee benefits _____	221,828	201,803
Postage _____	126,742	123,186
Advertising _____	100,593	96,410
Office supplies _____	56,229	87,879
Printing and duplicating _____	64,013	56,572
Inspection fees _____	22,145	62,937
Legal and collection fees _____	30,774	30,157
Telephone _____	45,958	47,294
Board members — honorarium and travel _____	24,935	21,874
Freight and messenger services _____	11,990	13,421
Equipment rental _____	5,266	7,746
Repairs, adressograph and other services _____	12,419	10,463
	<u>5,540,135</u>	<u>5,768,042</u>
Excess of revenue over expenditure _____	875	149,581
Equipment purchases (Note 2) _____	5,921	11,366
Excess of revenue over expenditure (expenditure over revenue) for the year (Statement 4) _____	<u>\$ (5,046)</u>	<u>\$ 138,215</u>

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of changes in financial position
for the year ended March 31

Statement 3

	1982	1981
Funds derived from:		
Excess of revenue over expenditure _____	\$ 875	\$149,581
Decrease in investments _____	73,850	181,587
Decrease in accounts receivable _____	—	8,057
Decrease in accrued interest _____	—	3,504
	<u>74,725</u>	<u>342,729</u>
Funds applied to:		
Increase in inventory _____	7,050	26,938
Decrease in accounts payable and accrued liabilities _____	25,492	260,464
Increase in prepaid expenses _____	7,102	31,666
Increase in accounts receivable _____	7,181	—
Equipment purchases _____	5,921	11,366
Payments to Minister of Finance _____	—	7,506
	<u>52,746</u>	<u>337,940</u>
Increase in funds _____	21,979	4,789
Bank balance, beginning of year _____	23,772	18,983
Bank balance, end of year (Statement 1) _____	<u>\$ 45,751</u>	<u>\$ 23,772</u>

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of amount due to Minister of Finance
for the year ended March 31

Statement 4

	1982	1981
Balance, beginning of year _____	\$190,901	\$ 60,192
Less payments to Minister of Finance _____	—	7,506
	190,901	52,686
Plus excess of revenue over expenditure (expenditure over revenue) _____	(5,046)	138,215
Balance, end of year _____	<u>\$185,855</u>	<u>\$190,901</u>

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Notes to financial statements
March 31, 1982

1. Status of Corporation

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974 pursuant to The Crown Corporations Act, Revised Statutes of Saskatchewan, 1965, Chapter 229, as amended, and continues under The Crown Corporations Act, Revised Statutes of Saskatchewan, 1978, Chapter C-50.

The purpose of the Corporation is to administer the operations as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under The Saskatchewan Crop Insurance Act, Revised Statutes of Saskatchewan, 1978, Chapter S-12.

2. Significant accounting policies

- a) The Saskatchewan Crop Insurance Corporation utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in fixed assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision has been made for depreciation on fixed assets.
- b) The office supplies on hand at the end of the year are valued at cost. The Corporation has adopted its policy of first-in — first-out for valuation purposes.

3. Commitments

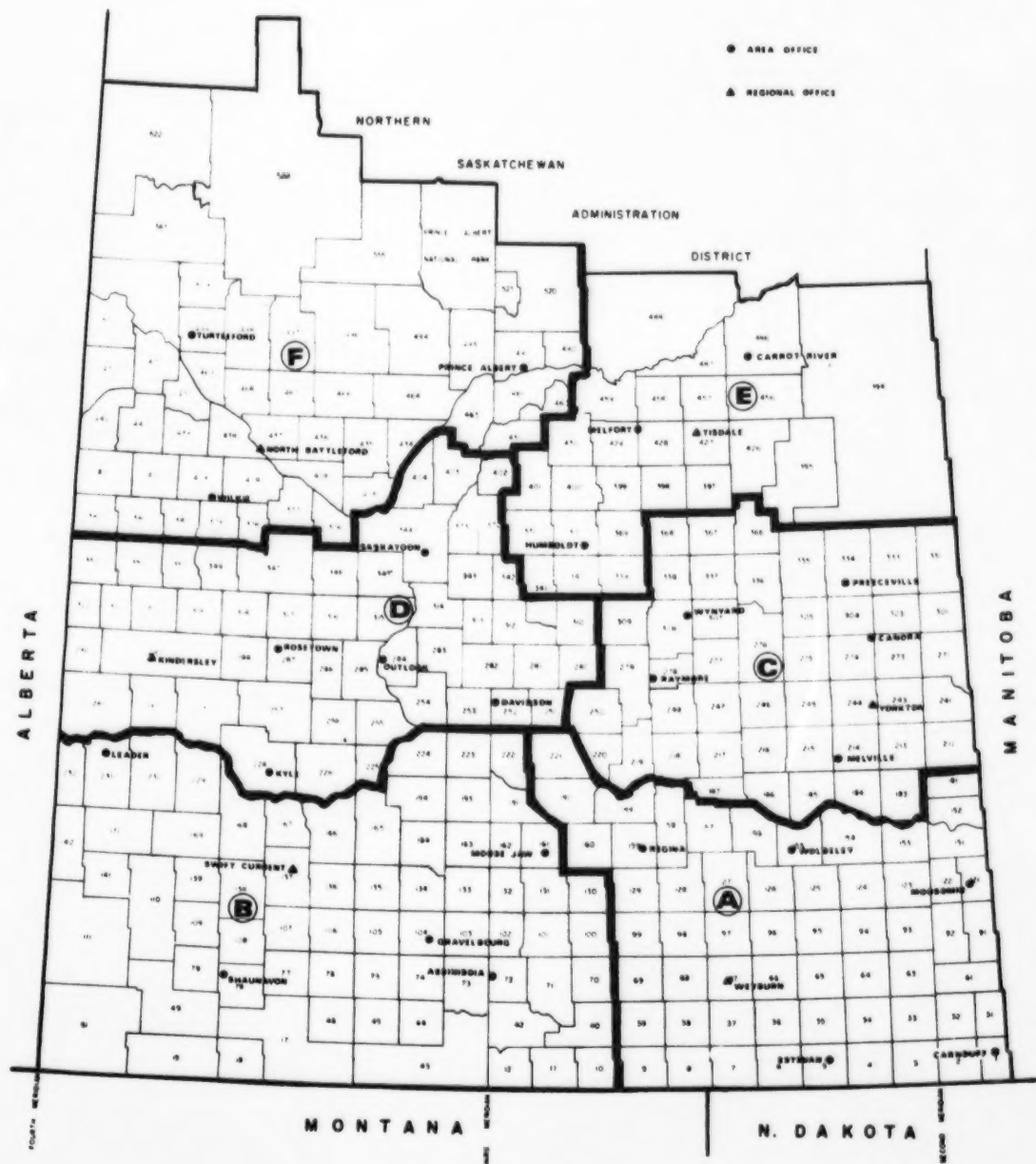
The Corporation is committed to lease payments for office premises totalling approximately \$266,000 annually. The amount and space requirements may be subject to change from time to time.

Appendix A

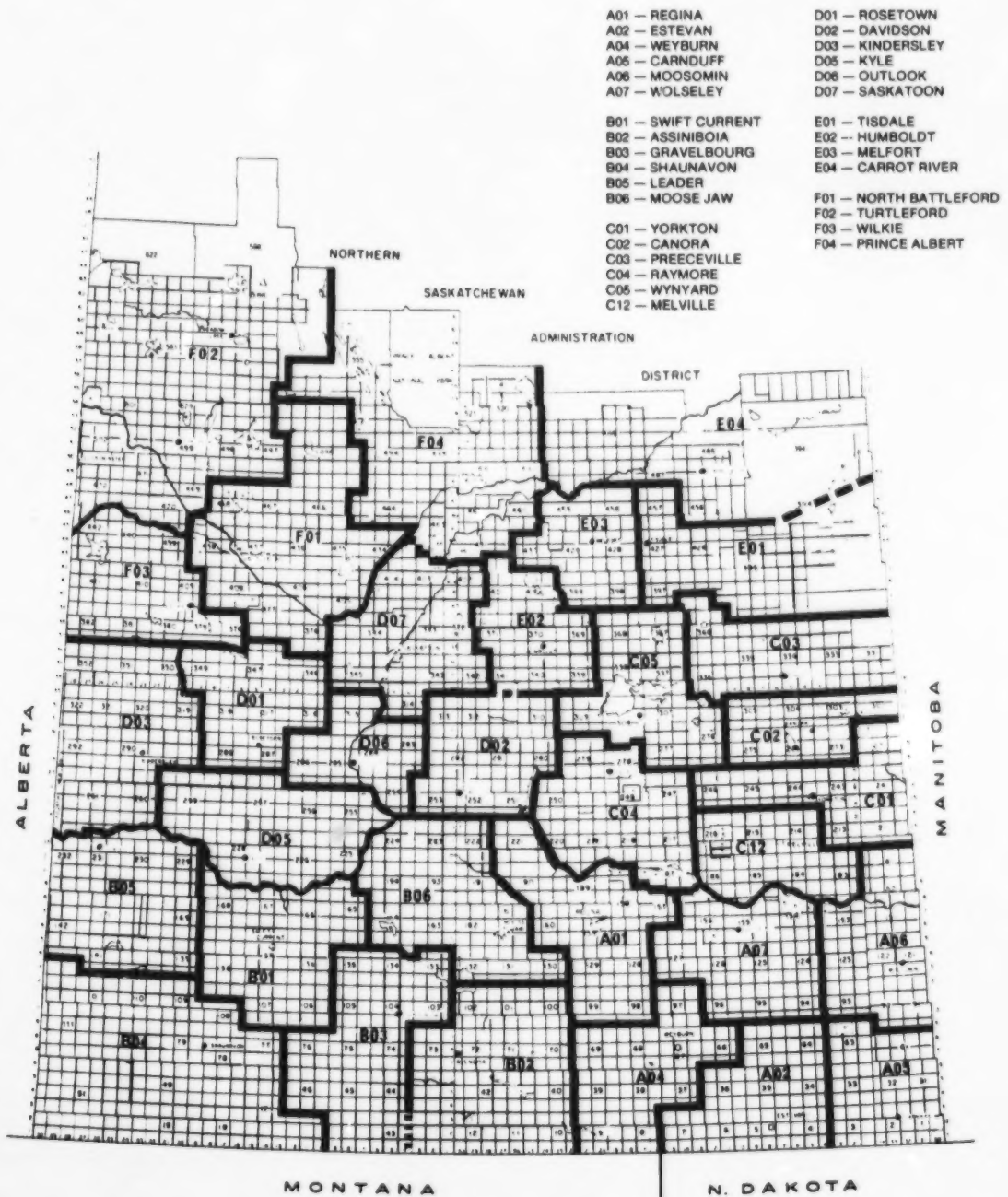
Saskatchewan Crop Insurance Board

Field supervisor regions

Area office locations



Appendix B
Saskatchewan Crop Insurance Board
 Area office regions



Appendix C

**Saskatchewan Crop Insurance Board
Insurance Fund
Financial statements
for the year ended March 31, 1981**

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Statement 1 — Balance sheet

Statement 2 — Statement of revenue, expenditure and balance of Fund

Notes to financial statements

**Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Balance sheet as at March 31**

Statement 1

	1982	1981
Assets		
Investments maturing within one year _____	\$ 800,000	\$ 799,611
Accounts receivable — Government of Saskatchewan (Note 3) _____	519,644	641,288
Due from Crop Reinsurance Fund of Saskatchewan _____	—	142
Premiums receivable (less allowance for doubtful accounts: 1982 - \$631,053; 1981 — \$467,526) _____	1,923,753	641,719
	<u>\$3,243,397</u>	<u>2,082,760</u>
Liabilities and Fund balance		
Bank overdraft _____	\$ 49,210	\$ 526,801
Indemnities payable (Note 2) _____	719,514	1,372,118
Due to Crop Reinsurance Fund of Saskatchewan _____	1,690,357	—
Due to Crop Reinsurance Fund of Canada for Saskatchewan _____	784,316	183,841
Balance of fund (Statement 2) _____	—	—
	<u>\$3,243,397</u>	<u>\$2,082,760</u>

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Statement of revenue, expenditure and balance of Fund
year ended March 31

Statement 2

	1982	1981
Revenue:		
Gross premium less discounts — insureds (Note 5) _____	\$ 53,565,708	\$ 41,457,643
Government of Saskatchewan contribution (Note 3) _____	<u>52,871,324</u>	<u>42,202,922</u>
	<u>106,437,032</u>	<u>83,660,565</u>
 Less: Premiums ceded		
— Crop Reinsurance Fund of Canada for Saskatchewan (Note 2) _____	15,861,397	6,332,830
—Crop Reinsurance Fund of Saskatchewan (Note 2) _____	<u>15,861,397</u>	<u>6,332,830</u>
	<u>31,722,794</u>	<u>12,665,660</u>
 Net Premium _____	74,714,238	70,994,905
 Reinsurance claims received _____	15,694,824	30,215,066
Interest _____	1,309,482	4,081,745
Interest on overdue accounts _____	698,507	732,155
Penalty and surcharges _____	<u>42,806</u>	<u>14,705</u>
	<u>92,459,857</u>	<u>106,038,576</u>
 Expenditure:		
Indemnities — yield (including unseeded summerfallow and reseeding benefit) _____	46,037,667	112,651,898
— spot-loss hail _____	46,243,319	23,056,554
Provision for doubtful accounts _____	178,871	163,043
Loss on sale of investments _____	<u>—</u>	<u>489,114</u>
	<u>92,459,857</u>	<u>136,360,609</u>
 Excess of revenue over expenditure (expenditure over revenue) _____	<u>—</u>	<u>(30,322,033)</u>
Balance of fund, beginning of year _____	<u>—</u>	<u>30,322,033</u>
Balance of fund, end of year (Statement 1) _____	<u>\$ —</u>	<u>\$ —</u>

(See accompanying notes to the financial statements)

**Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Notes to financial statements
March 31, 1982**

1. Status of the Board

The Saskatchewan Crop Insurance Board was established pursuant to The Saskatchewan Crop Insurance Act, 1960 and continues under the provisions of The Saskatchewan Crop Insurance Act, Chapter S-12, Revised Statutes of Saskatchewan, 1978.

2. Accounting policies

Indemnities payable

The provision for indemnities payable includes the cost of indemnities reported and processed but not paid and an estimate, based on the average loss for crops suffering the same type of damage, for those indemnities that had been reported but not processed at year-end. The amount of the estimate is \$152,293.

Costs borne by other agencies

The Board has not been charged with any occupancy costs, accounting or administrative services. These costs have been borne by the Saskatchewan Crop Insurance Corporation.

Reinsurance funds

Section 17 of The Saskatchewan Crop Insurance Act provides that the Minister of Agriculture may enter into an agreement with the Government of Canada to provide for payment by the Government of Canada of a part of sums for which the Board may become liable in respect of claims for losses insured against under the Act and provides that a payment by the Board to the Government of Canada of a part of premiums received in respect of crop insurance may be made. In accordance with this section, a Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada provides for the establishment of two reinsurance funds:

(i) The Crop Reinsurance Fund of Saskatchewan to be administered by the Government of Saskatchewan, and

(ii) The Crop Reinsurance Fund of Canada for Saskatchewan to be administered by the Government of Canada.

Under the terms of the Agreement the Saskatchewan Crop Insurance Fund is required to pay premiums ceded into the reinsurance funds based on premiums received during that insurance year including the matching contributions made by the Province.

Per the Agreement, payments may be made out of the Crop Reinsurance Fund of Canada for Saskatchewan under the following conditions:

(1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded

b) the balance in the Saskatchewan Crop Insurance Fund

c) 2½% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

(2) The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

3. Government of Saskatchewan

Contributions

Section 9(2) of The Saskatchewan Crop Insurance Act as amended provides that the Minister of Finance of the Province of Saskatchewan may pay out of the Consolidated

Fund into the Saskatchewan Crop Insurance Fund in each fiscal year a sum not exceeding the total of the amounts that insured persons have paid as premiums in respect of contracts of insurance in that fiscal year. Premiums paid for the purposes of this calculation are net of discounts but include interest, surcharges and penalties.

In accordance with the 1976 Agreement between the Government of Canada and the Province of Saskatchewan, the Government of Canada has agreed to reimburse the Province for the contributions it has made to the Fund in accordance with the terms of The Crop Insurance Act, Chapter C-36 of the Revised Statutes of Canada, 1970. The monies received from Canada are deposited in the Consolidated Fund.

4. Balance of Crop Reinsurance Funds

Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1982 was \$64,093,900 and the comparative figure as at March 31, 1981 was \$48,232,503.

Crop Reinsurance Fund of Saskatchewan

The balance in the Crop Reinsurance Fund of Saskatchewan as at March 31, 1982 was \$13,023,651. The comparative figure as at March 31, 1981 was \$12,857,078.

5. Discounts

Discounts allowed during the year, with comparative figures for 1981, were as follows:

	1982	1981
Experience	<u>\$3,331,326</u>	<u>\$3,023,586</u>

NOTES

